



HARVARD

1401 Broadway **MARKET**

OFFERING MEMORANDUM

NEWMARK

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INVESTMENT HIGHLIGHTS



Harvard Market is a generational asset located in the heart of Capitol Hill – Seattle’s most dynamic and densely populated trade area. The shopping center benefits from an irreplaceable location highlighted by a high-performing shadow anchor grocery store (QFC/Kroger), huge barriers to entry, a rare value-add component due to the recent Bartell Drugs vacancy, strong annual contracted rental increases, long-term rental growth, and pure real estate appreciation.



EXCELLENT SITE ACCESS

The Center has a dedicated above and below level parking garage with 275 parking stalls with multiple points of ingress and egress on Broadway, Harvard Ave, and E Union St.

Dedicated site parking for a retail center in the heart of Capitol Hill is extremely rare and generates ample consumer draw to the site and provides easy access to the first and second level retailers.



ATTRACTIVE RETURNS

The offering provides attractive value-add returns, with a secure year-1 as-is yield. It is rare to find such a secure initial cap rate, with minimal down-side, and immediate upside.



SEVERE BARRIERS TO ENTRY

The immediate trade area contains severe barriers to entry as Capitol Hill is extremely difficult to penetrate and developing a competing project is nearly impossible. Harvard Market cannot be replicated and will continue to be the dominant retail center for the foreseeable future.



LONG-TERM RENTAL UPSIDE

The location of the Center will provide long-term rental upside upon lease rollover. The historical and projected Seattle rental trends and growth in the trade area create a compelling story for continued rental growth.



HISTORICALLY STRONG OCCUPANCY

The Center has historically operated at or near 100% occupancy and strong tenant demand provides stability to the investor and is a testament to the quality and location of the Center.



SHADOW ANCHORED BY QFC

Although not a part of the offering, QFC adds the grocery component, and daily goods draw to the Center. Daily needs shopping centers continue to outperform all other retail products and serves as a hedge against e-commerce and any future economic slowdowns.



TREMENDOUS LEASING UPSIDE

The offering provides upside through leasing of the free-standing 14,668 SF former Bartell Drugs (Rite Aid) space as well as an additional small shop space. This was a successful Bartell Drugs location that operated at the center for over 25 years, but Bartell Drugs has vacated due to the Rite Aid bankruptcy creating leasing upside for the new investor.



STRONG NOI GROWTH

Due to the leasing upside and contracted rental increases the going in yield increases approximately 230 basis points upon stabilization of the asset.

The Center has a compound annual growth rate of 6.80% over the initial 10-year hold providing strong returns to the investor.



PIKE/PINE CONSERVATION OVERLAY DISTRICT

Harvard Market is located within the Pike/Pine Conservation Overlay District in which Transfer of Development Potential (TDPs) can be sold to other properties within the district. Harvard Market benefits from the ability to capitalize on immediate value in selling the remaining TDPs, or future development upside with the ability to add GLA through vertical development.



STRONG CONTRACTED RENTAL INCREASES

Over 70% of the tenants have contracted rental increases providing solid NOI growth.



TENANT MIX

The Center benefits from a mix of national and local retailers with nearly 60% of the revenue coming from nationally recognized retail brands.



ONE OF THE FASTEST-GROWING MAJOR TRADE AREAS

Over the last decade, Seattle has been one of the fastest-growing large city in the U.S. Seattle has shown impressive economic staying power in the wake of the pandemic driven by major corporate growth, attractive cost relative to other coastal markets, and consistent job and population growth.

IRREPLACEABLE LOCATION



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The Center is strategically positioned on one of the area's most pedestrian and vehicular trafficked intersections on the corner of Broadway and E Pike Street with traffic counts exceeding 20,000 vehicles per day.



Harvard market is in the heart of Seattle's most densely populated neighborhood – Capitol Hill.



Capitol Hill has been tabbed by the City of Seattle as an area for extreme growth over the coming decades and will add thousands of new apartment units and jobs.



Harvard Market has direct connectivity to Seattle's Financial District, Pike Place Market, South Lake Union, Amazon's HQ, and the Convention Center, including the newly constructed \$1.7B Convention Center Expansion.



Harvard Market is located less than a mile to the Capitol Hill light rail station providing access to downtown Seattle, University of Washington, Northgate, Lynnwood, SODO and SeaTac.



The Offering is the multi-tenant retail portion of the larger Harvard Market Shopping Center. The Offering benefits from strong and secure cash flow produced by the multi-tenant retail and its share of the parking revenue.

The Harvard Market Shopping Center consists of:

- » Harvard Market Multi-Tenant Retail; 43,477 SF of retail shops. **(The Offering)**
- » Underground parking garage and upper-level parking; 200 underground parking spaces and 75 parking spaces on the upper level; **(Parking is jointly owned by the "Declarants"; Parking revenue is shared between Harvard Market and QFC)**
- » QFC Grocer; 46,984 SF retail anchor space. **(Owned by QFC/Kroger and Not a Part of the Offering)**
- » Two Residential Units; 2,436 SF unit and 2,296 SF unit located above the former Bartell Drugs building. **(Owned by the individual residential unit owners and Not a Part of the Offering)**

Harvard Market (The Offering) is part of a condominium declaration containing four Declarants outlined below:

- » Quality Food Centers (QFC Grocer): Unit 1
- » Harvard Market (The Offering): Unit 2 & Unit 3
- » Residential Unit above former Bartell Drugs building: Residential Unit 4
- » Residential Unit above former Bartell Drugs building: Residential Unit 5



TERMS OF THE OFFERING

PRICE
\$25,000,000

YEAR-1 NOI
\$1,357,240

YEAR-1 CAP RATE
5.43%

ADDRESS
1401 BROADWAY,
SEATTLE, WA 98122

**STABILIZED RETURN
ON COST**
7.73%

STABILIZED NOI
\$2,045,469

UNLEVERED 10-YR IRR
11.08%

LEVERED 10-YR IRR
14.74%



SITE DESCRIPTION

PROPERTY ADDRESS:
1401 BROADWAY, SEATTLE, WA 98122

PARKING AREA

UPPER LEVEL PARKING: 75 SPACES
PARKING GARAGE: 200 SPACES
TOTAL PARKING: 275 SPACES

LAND AREA

LAND AREA: 1.71 ACRES
PARCEL: 314865-000
ZONING: NC3P-75

BUILDING AREA

BUILDING AREA: 43,477 SF
OF TENANTS: 19
OCCUPANCY: 62%
OF FLOORS: 2
YEAR BUILT/REMODELED: 1996/2019



SITE AERIAL



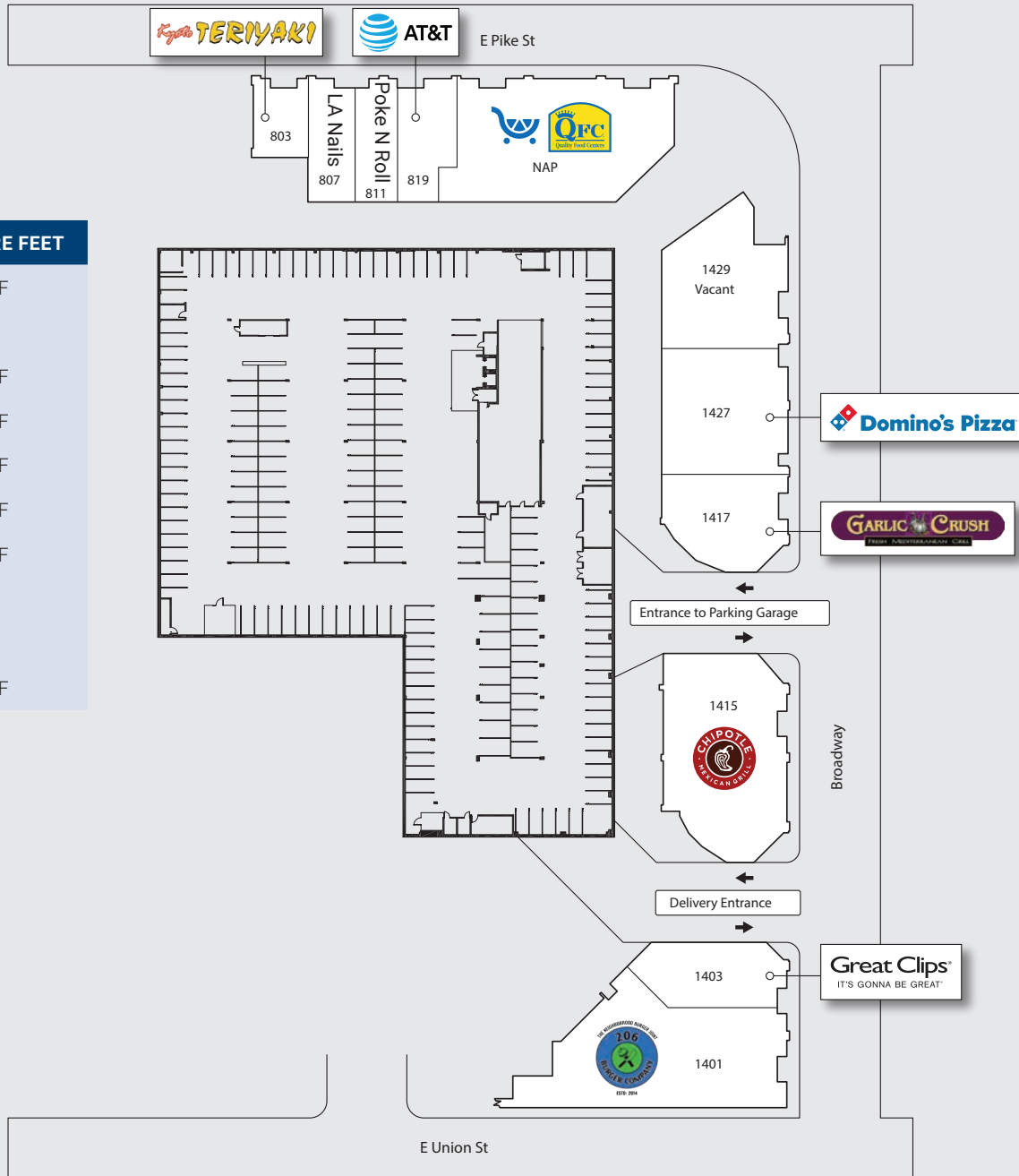
SITE PHOTOS



SITE PLAN

1ST FLOOR PLAN

SUITE	TENANT	SQUARE FEET
1401	206 Burger	2,164 SF
1403	Great Clips	941 SF
1415	Chipotle	2,459 SF
1417	Garlic Crush	1,145 SF
1427	Domino's	1,661 SF
1429	Vacant	1,575 SF
803	Kyoto Teriyaki	1,065 SF
807	LA Nails	554 SF
811	Poke N Roll	702 SF
819	AT&T	2,705 SF



SITE PLAN



2ND FLOOR PLAN

SUITE	TENANT	SQUARE FEET
1407	Vacant	14,668 SF
1415	Chicken Factory	601 SF
1416	Ooink LLC	1,121 SF
1418	Kally Threading	510 SF
1420	State Farm Insurance	624 SF
1422	Woof Gang	1,423 SF
1424	Banfield Pet Hospital	3,437 SF
1425	UPS	3,306 SF
1428	Punjab Food	1,444 SF
1430	Cranes Landing	1,372 SF



DISCLAIMER



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